

NORFOLK, VIRGINIA

BUSINESS MEETING OF COUNCIL

TUESDAY, MARCH 15, 2016

Mayor Fraim called the meeting to order at 4:10 p.m. with the following members present: Ms. Graves, Ms. Johnson, Mr. Protogyrou, Mr. Smigiel, Dr. Whibley and Mr. Winn. Mr. Riddick was absent.

He thereupon called for the first item of business and moved into closed session at 4:17 p.m.

City Manager Jones reviewed the agenda noting the following presentations: Sabrina Joy-Hogg, Deputy City Manager, will present the mid-year forecast and provide an update on the five-year forecast. George Homewood, Director of City Planning, will present Vision 2100; and Peter Chapman, Deputy City Manager, will talk about the SWAM Program (Small Women-Owned and Minority-Owned Business Program).

A. CLOSED SESSION

Motion for closed session was approved for purposes which are set out in **Clauses 1 and 3** of subsection (A) of Section 2.2-3711 of the **Virginia Freedom of Information Act**, as amended:

- (1) Discussion of candidates for appointment to city boards, commissions or authorities.
- (3) Discussion of the acquisition of real property for public purpose in the Riverview area.

Yes: Graves, Johnson, Protogyrou, Smigiel, Whibley, Winn and Fraim.

No: None.

B. COUNCIL INTEREST

1. Mayor Fraim commented on a letter to Council from the Navy regarding Council's recent action on a special exception for a banquet license to a business under an Accident Potential Zone for Chambers Field. He noted that they cannot reconsider the vote, but suggested speaking with the owner about relocating the business and asked for Council's concurrence with this approach.
2. Councilman Protogyrou:
 - In commenting on issues with a condo association management company following the Willoughby fire, asked if the city can contact the association and get them involved with the owners and renters.
 - Look at extending a bike lane down Granby Street and also the cost of the bike lane over the bridge, asking that it not be borne by the businesses association or Riverview money and also examine a possible gateway into Riverview.
3. Councilwoman Whibley asked: **1)** to sit down and discuss school athletic fields, equipment and etcetera at the appropriate committee meeting, **2)** the Council where they stood with regard to the requirement that a member running for a vacant seat must give up his or her seat following the election, **3)** to examine moving to electronic voting, and **4)** Council to begin televising new business speakers at Council meetings.

Mayor Fraim suggested council discuss these issues at its retreat.

4. Councilwoman Johnson asked if they could look at how much it would cost to hire five teachers for one hour, four days a week to tutor student athletes prior to practice and that the cost also include buses. She asked if they could do a pilot program at Ruffner Middle School.
5. Vice-Mayor Graves asked: **1)** the administration to have the tennis courts at Booker T. Washington High School repaired and reopened, **2)** for a presentation on the Renovate Norfolk Program; and In regards to the recent police involved shooting and the use of body cameras, she noted that it cost a lot of money to outfit police officers on the street with body cameras and they should be turned on. She also asked for an update on the recent police involved shooting on Chesapeake Boulevard once the investigation is finished.

The following requests were made during the Formal Session:

6. Following the vote on R-2 (Bearded Bird Brewing Company), Councilman Smigiel asked if some economic development grant money could be used to induce microbreweries or craft breweries in Ocean View or Wards Corner.
7. Following the vote on R-6 (Norfolk Southern Foundation), Mayor Fraim asked that a thank you letter be sent to Norfolk Southern Foundation.

C. MID-YEAR BUDGET UPDATE

Deputy City Manager Sabrina Joy-Hogg reported as follows:

Joy-Hogg, reported on two employees who recently received national recognition. Government Fleet Magazine recently nominated fleet manager, Facundo Tassara as one of the “Top 20 under 40” government fleet professionals, and Harvey Howard, superintendent of Public Works, was named professional manager of Solid Waste by the American Public Works Association.

She provided an update of the city’s financial condition and noted that no action is required at this time. As a recap of the FY 2015 Budget, the city achieved structural balance four years ahead of schedule. The ARMD Initiative was implemented, which is an employee compensation and retention initiative. There has been increased support for Norfolk Public Schools throughout the year. This is the first year for the self-administered Healthcare Plan, which started in 2014 and lasted half a year. Real estate taxes have held steady except for one increase as compared to other cities in our region. FY 2015 ended with an \$8.2 million surplus; it was designated by City Council to fund \$2 million in reserves. The city has reached the policy goal of \$5 million in each of those reserves. Some debt was prepaid by \$3 million. City Council redirected \$3.5 million into several initiatives, many of them underway.

Moving into 2016, a .5 percent variance is projected, which is approximately \$4 million. Moving into 2017, job growth is at 3.8 percent compared to 8.8 percent nationwide. The city has not recovered about 16,000 jobs since the recession. The region’s growth is higher in 2016 but below the historical average of 3.1 percent growth. The local housing market is also taking hold at 8.0 percent as compared to the other six cities. The city has the highest median home sales price increase for 2015. The housing market experienced unprecedented decline from 2011 to 2014 and then had three years of steady increases.

Ms. Johnson asked if it is possible as far as assessments to separate out how they are compared by communities and neighborhoods, which would be an indicator on how to better plan for communities in the city to help the public schools as well as jobs. She asked for an update from the assessor with indicators in the assessments by neighborhoods.

Looking beyond FY 2017, the forecast projects the General Fund will have a base budget gap in FY 2018 and 2019. The base budget forecast includes the cost of maintaining current services but does not include any new programs or salary increases. These gaps are largely attributed to increased debt service, healthcare and retirement costs. Budget decisions continue to be viewed through a two-year lens to analyze the impact in FY 2017 and FY 2018. Additionally, the implementation of the five-pronged approach for budget development continues. Preserving services while addressing and mitigating financial impacts to core functions remains a focus. While the city has become a leaner government, the ability to take on new projects and initiatives through further cost cutting measures is now limited. Sustainable revenue growth will be needed to go beyond maintaining current level of services.